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UNITED STATES DEPARTMENT OF AGRICULTURE
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WORLD HOG AND PORK PROSPECTS 1/

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THE WORLD SITUATION

The European pork producing countries give additional evidence of increased market supplies in contrast to prospects of some decrease in the United States during the remainder of the current season. Information available in the Bureau of Agricultural Economics indicates that the unusually favorable European feed conditions continue to encourage hog production, whereas in the United States less favorable conditions prevail. In both the United States and Europe, hog prices continued to decline during June.

Both foreign and domestic prices of American cured pork were somewhat stronger in June than in May. Relatively light stocks have been an important factor in that situation. In the foreign market, however, the indications of increasing supplies and continued reduced demand give little hope of maintaining the advances made in June. United States bacon exports in May were larger than in April, but in both months exports were below a year earlier. The movement of hams and shoulders, however, was heavier than last year.

Domestic and foreign lard prices were again down in June, reaching levels lower than at any time since the war. Relatively low butter and vegetable oil prices continue to have an adverse effect upon lard. Stocks of lard are generally light. United States lard exports in May were higher than in April, but below last year's levels.

1/ Prior to this issue this series had the title Hogs and Pork, the last issue under the old title was F.S. dated June 7, 1930.

United Kingdom

The somewhat stronger tone apparent in the British cured pork market during June placed the Liverpool average price of American green bellies for that month at about $18.57 per 100 pounds. Cabled advices from Agricultural Commissioner Foley at London indicate that that figure was the highest since last January, but about $1.60 below June 1929. In American short cut green hams, the June average was $21.94, down about $2.77 from a year ago. Danish Wiltshire sides were about 50 cents higher than in May at $21.94, a point $2.66 under June 1929. Canadian green sides also were well under last year's prices. July 1 stocks of hams, bacon and shoulders at Liverpool reached 5,170,000 pounds, a decline of 634,000 pounds from a month earlier and 2,432,000 pounds below last year.

Total bacon imports for May were larger than in April, but below a year ago in spite of unusually heavy receipts from Denmark. More than 56,000,000 pounds of bacon entered British ports from Denmark during May to set a record for monthly receipts from that source. Total bacon imports from Denmark for the period October 1 - May 31, 1929-30 were about 8 per cent larger than last year. May imports from all other leading sources were under those of a year ago. Total imports for the current season to May 31 from the United States continue to exceed last season's figures, but for the Netherlands, Irish Free State and Canada are under those of the corresponding period of the 1928-29 season. The season's total of bacon imports from all sources is only slightly larger than last year. Ham imports, most of which come from the United States, continue to maintain a fair margin over last season's cumulative totals. The lead over a year ago was reduced somewhat by the end of May when total imports for that month, while larger than in April, fell below the May 1929 volume.

The continued weakness in the lard market placed the June average at Liverpool close to $11.28 per 100 pounds, a new low level for recent years. The June average was about $2.25 under last year's level, and around 58 cents lower than the June average for the years 1909-1913. July 1 stocks at Liverpool were unusually small at 1,900,000 pounds against 11,863,000 pounds on the same date last year. Lard imports during May, while totaling more than in April, were unusually small for that time of year, and more than 5,000,000 pounds smaller than imports for May 1929. Total lard imports into the United Kingdom for the period October 1 - May 31 were 1.5 per cent smaller than for the corresponding period of the 1928-29 season. Plentiful supplies of low-priced edible vegetable oils continue to be a factor in the depressed market for lard.

In domestic pork supplies, the downward tendency of the current season was in evidence during May and June. It appears also that receipts of fat pigs at certain British markets have been smaller than last year in each month of the current season, with the total for 8 months ended May 31 standing 14.4 per cent under the same period of last season. London Central Market receipts of fresh British and Irish pork for June were seasonally smaller than in preceding months, but were more than 500,000 pounds below last year's receipts. Current figures on receipts of fresh pork from other sources also were below last year. In the Irish Free State, the number of hogs killed for curing this season, although increasing, ran behind

that of last season, with the June figures being the first to go above last year's level. The generally reduced supplies of the British Isles, however, have not been of great enough significance to offset the depressing effect upon prices exerted since last March by increasing imports of continental cured pork.

Denmark and Netherlands

Pork production continues to expand in Denmark and Netherlands, the leading continental sources of British cured pork imports, according to Agricultural Commissioner Steere at Berlin. Hog marketings are increasing, while prices show signs of additional declines. Owing to the very favorable feed situation, however, hog feeding is held as still being a profitable enterprise. Bacon exports from Denmark for May reached the heavy total of 54,025,000 pounds, according to preliminary returns. That figure was larger than for any May of recent years, and indicates a return to the heavy exports of the 1927-28 season. For the current season to May 31, total bacon exports from Denmark stood 8.2 per cent ahead of last season and second only to the corresponding period of the 1927-28 season. In spite of reported increasing Netherlands pork production, United Kingdom import returns on bacon continue to show only moderate receipts from that source. In fact, the May receipts of bacon from the Netherlands were the smallest since last December and well below a year ago. The season's total to May 31 was 30.7 per cent below that of last season and the smallest cumulative total of the past 4 years.

Germany

The June 1 hog census in Germany as reported by Agricultural Commissioner Steere at Berlin places total hogs at 19,804,000, an increase of 17.8 per cent over a year ago. Of the several age and type groups, the heaviest increase occurs in brood sows, amounting to 22.9 per cent over last June to reach 2,232,000 head. Substantial increases also occurred in pigs 8 weeks to 6 months old, that group standing at 9,178,000, an advance of 13.3 per cent. Indications are that, while the general tendency in German pork production is upward, the market receipts during June were smaller than in both the preceding month and a year ago. So far this season, the monthly receipts at 14 markets as reported by Mr. Steere have been smaller than for the same months of last season. Total receipts for the season to May 31 were 7.4 per cent smaller than last year, while slaughter at 36 centers for the same period showed a drop of nearly 10 per cent.

The steady decline in hog prices accompanying the smaller marketings brought the June average for heavy hogs at Berlin down to about $13.33 per 100 pounds, a point $3.16 below a year ago and the lowest monthly average since May 1928. The decline below June 1929 represents a drop of 19.4 per cent below last year, with the May 1930 average down 11.5 per cent from a year ago. In feedstuffs, however, the May 1930 averages of potatoes at Breslau and barley at Leipzig were lower than in May 1929 by 56.1 per cent and 16.6 per cent respectively. The feed situation, therefore, continues its generally favorable aspect, although probably to a less marked degree than in earlier months in those areas where barley is

most commonly fed, since the price tendency in that grain has been upward as hog prices have fallen. Potato prices, however, have moved down to unusually low levels.

The general weak character of the European lard market brought Hamburg quotations for June down to about £11.55 per 100 pounds, Mr. Steere reports. That figure is a new low level for lard in recent years, and stands $2.50 below the June average for the years 1909-1913. The general downward tendency in lard imports this season as against last season was carried into May. Those imports, most of which came from the United States, were more than 5,000,000 pounds smaller than in May 1929. The lighter imports of recent months, however, have not yet offset the heavier takings earlier in the current season, so that the total to May 31 was still 2 per cent larger than for the period October 1 - May 31, 1928-29, according to preliminary returns.

The continued reduced pork production as against last year has been reflected in the well maintained imports of cured pork. For every month of the current season, total bacon imports, largely from the Netherlands, have been heavier than for the corresponding months of last season, the preliminary figures for May being no exception. It should be noted, that following last March, the figures have shown a tendency to decline, but total bacon imports for the season to May 31 stood 75.4 per cent higher than for the same period of 1928-29.

Other European countries

The low prices ruling for feedstuffs and the favorable outlook for current crops is stimulating hog production in Belgium, according to Consul W. S. Reineck at Antwerp. Evidence of the increase is found in slowly expanding market supplies of pork products, and a slow trade in recent months for American provisions, with indications that for the rest of 1930 demand in those lines will be considerably below the trade's expectations. Russia continued to send considerable volumes of pork to Belgium during May, some cuts selling readily on a quality basis, notably rib backs. In most lines Belgian products have been plentiful and favorably priced, with the result that American stocks have been hard to move. The Belgian demand for hams has been fairly good, but confined largely to tinned hams coming from the Netherlands, Denmark and Czechoslovakia. In lard, the trade has been slow on offerings from all sources, with dealers slow to make future commitments.

In Estonia, the government has had in effect since April 15 a subsidy scheme for promoting the production of hogs and the export of bacon, according to Consul Harry E. Carlson at Tallinn. In addition to placing extra funds in the hands of hog producers, the measure contemplates the "stabilization of bacon prices", although the enabling law does not describe the method of achieving that end. The plan is based on stipulated contributions per hog exported, or the equivalent in pork, to be derived from the general budget, from the special taxes on abattoirs killing for domestic consumption and from export slaughter houses on the basis of a sliding scale to be fixed by the government. The bulk of the Estonian bacon exports are expected to find a market in the United Kingdom.

United States and Canada

Domestic hog prices during the last three weeks of June declined from the rather steady level of around $10.00, which had prevailed since the third week of March and prices at Chicago, based on packers' and shippers' purchases averaged $9.52 for the month as compared with $10.02 for May and $10.72 during June, 1929. The price spread between heavy and light weight hogs continued narrower than a year ago, despite the substantial increase in live weights, bringing the average to approximately that of a year earlier.

Inspected slaughter in May was about the same as in May 1929. It is the only month since November 1929 in which slaughter supplies have equalled those of the corresponding month a year earlier. June slaughter, amounting to 3,689,000 head, was 1.9 per cent smaller than that of a year earlier and 3.5 per cent under inspected killings during May.

Wholesale fresh pork prices at Chicago made another decline in June, but the cheaper cuts were higher than in June, 1929. Shoulders, 8-12 pounds, skinned, averaged $15.76 as compared with $16.00 in May and $15.66 in June, 1929, while pork loins, 10-12 pounds, averaged $20.46 as against $21.42 for May and $22.12 a year earlier.

Prices for cured products made a general advance in June, but continued under those of the previous year. No. 1 hams 12-14 pounds, at Chicago advanced from the $24.62 average for May to $25.75 in June, which was 87 cents under the price in June, 1929. No. I S.P. Cure bacon, 8-10 pounds averaged $23.25 for June or a dollar higher than May and 89 cents under last year's corresponding figure. Total bacon exports in May amounted to 8,553,000 pounds as compared to 7,979,000 pounds in April and 14,395,000 pounds in May 1929, the latter being the heaviest monthly movement of the 1928-29 marketing year. The movement to United Kingdom during April and May was about 32 per cent under that of 1929. These were the first months of the present marketing year to show a decrease from that of a year earlier. Takings of bacon by Germany in May were 44 and 58 per cent smaller than April 1930 and May 1929, respectively. May exports of hams and shoulders amounting to 13,845,000 pounds showed an increase over those of both April 1930 and May 1929, largely due to increased takings by the United Kingdom.

Storage stocks of pork in the United States continue much smaller than a year ago. On June 1 they amounted to 675.3 million pounds, or 22.5 per cent less than those of a year earlier and 13.5 per cent less than the five-year average on that date.

Refined lard prices in Chicago declined $1.00 during the last two weeks of June, making an average of $11.00 for the month as against $11.50 for May and $12.85 in June, 1929. Lard exports in May amounting to 62,562,000 pounds, were 25 per cent larger than those of April but were 2.5 per cent under those of June 1929. All of the principal foreign buyers increased their takings over those of April, with United Kingdom showing the largest increase. Domestic lard stocks in cold storage on June 1, amounting to 115.3 million pounds, were 37.2 per cent smaller than on June 1, 1929 and 20.7 per cent under the five-year June 1 average.

Corn prices continued low during June. No. 3 yellow at Chicago averaged 79 cents, the same as last month, and 12 cents under the June 1929 average. The United States June corn-hog ratio declined from 11.6 in May to 11.5 in June.

The June Pig Survey of the Department of Agriculture showed a decrease of about 6 per cent in the spring pig crop of 1930 from that of 1929 for the United States as a whole, and a 3 per cent decrease in the 11 Corn Belt States. Interpreting these figures in terms of future market supplies the Pig Survey Report says:

> "If the June survey this year indicates the change in the market supply of spring pigs from the Corn Belt States about as the June surveys for the past three years have indicated these changes, the market supply from this year's spring crop will be but little different from the supply from the 1929 spring crop and somewhat smaller than the supply from that of 1928."

The number of sows bred or to be bred for fall farrow, as reported in the Survey, indicates but little change in the number that will farrow this fall from the number that farrowed in the fall of 1929. The number of hogs over six months of age in the Corn Belt on June 1 was reported to be about 8 per cent smaller than a year earlier. This, as well as other indications, points to a considerable reduction in market supplies from July to September, inclusive, from the unseasonably large supplies during that period in 1929.

Inspected slaughter in Canada continues under that of a year ago. May slaughter was 7.4 per cent larger than the April slaughter, but 7 per cent under that of May 1929. The total inspected killings for the first 8 months of the crop year was about 8 per cent under the corresponding figure for the previous crop year. This reduction is being reflected in a smaller export movement and increased takings from the United States.

HOGS AND PORK PRODUCTS: Indices of foreign supplies and demand

Country and item	Unit	Oct. - May					
		1909-10 to 1913-14 average	1924-25 to 1928-29 average	1926-27	1927-28	1928-29	1929-30
UNITED KINGDOM:							
Production -							
Fat pigs, certain markets	1000's	430	438	385	455	519	444
Supplies, domestic fresh pork, London	1000 pounds		42,025	45,383	62,922	61,270	47,739
Imports							
Bacon -							
Denmark	"	162,459	333,487	332,645	422,037	367,345	396,626
Irish F. State	"		336,682	28,295	37,624	43,764	29,957
United States	"	124,784	74,687	58,075	42,480	42,638	46,694
Canada	"	27,289	50,282	40,939	20,403	14,369	10,420
Others	"	27,954	105,553	143,965	144,378	156,928	142,040
Total	"	342,486	600,691	603,919	672,922	625,044	625,737
Ham, total	"	60,729	81,403	65,010	64,004	67,570	71,924
Lard, total	"	148,270	181,212	161,137	198,303	193,110	189,554
DENMARK:							
Exports -							
Bacon	"		332,285	344,813	411,564	362,455	392,088
CANADA:							
Slaughter -							
Hogs, inspected	1000's	1,154	1,880	1,867	1,917	1,738	1,583
GERMANY:							
Production -							
Hog receipts 14 cities	"		2,198	2,150	2,951	2,444	2,263
Hog slaughter 36 centers	"	3,000	2,731	2,529	3,631	3,219	2,899
Imports -	1000						
Bacon, total	pounds	1,855	12,065	12,079	6,360	7,217	12,658
Lard, total	"	138,404	150,588	154,220	134,858	147,109	150,245
UNITED STATES:							
Slaughter -							
Hogs, inspected	1000's	22,467	32,856	29,822	35,255	35,370	33,169
Exports -							
Bacon -	1000						
United Kingdom	pounds	87,643	45,404	35,453	27,136	31,236	37,574
Germany	"	1,204	7,931	4,103	7,210	3,926	5,054
Cuba	"	5,114	14,027	14,717	12,899	10,081	11,275
Total	"	119,927	96,436	73,343	80,521	81,187	85,467
Hams, shoulders							
United Kingdom	"	92,422	95,006	75,136	64,833	60,634	65,531
Total	"	107,272	113,979	88,363	80,762	76,012	81,918
Lard -							
United Kingdom	"	118,283	155,919	140,810	168,460	161,935	167,553
Germany	"	98,123	130,674	112,393	115,369	146,648	130,305
Cuba	"	24,895	54,772	54,139	55,476	56,211	54,532
Netherlands	"	26,136	29,392	31,653	25,988	29,305	34,833
Total	"	326,974	500,470	447,681	505,401	563,703	552,392

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HOGS AND PORK PRODUCTS: Foreign and domestic average prices per 100 pounds for the month indicated, and stocks at the end of each month

Item	May			Apr.	May
	1909-1913 average	1925-1929 average	1929	1930	1930
	Dollars	Dollars	Dollars	Dollars	Dollars
Prices -					
Hogs, Chicago, basis packers' and shippers' quotations	7.81	11.13	10.81	10.00	10.02
Corn, Chicago, No. 3 yellow	1.16	1.71	1.55	1.46	1.41
Hogs, heavy, Berlin, live weight	10.96	13.89	15.37	14.15	13.60
Potatoes, Breslau feeding	.37	.58	.57	.26	.25
Barley, Leipzig	1.75	2.44	2.34	1.90	1.95
Lard -					
Chicago	10.68	14.74	12.85	11.50	11.50
Liverpool	11.80	15.16	13.33	11.83	11.80
Hamburg	12.65	15.67	13.86	11.95	12.04
Cured pork -					
Liverpool -					
American short cut green hams	14.80	24.39	25.18	22.24	21.10
American green bellies		21.19	22.10	17.87	18.28
Danish Wiltshire sides	15.60	25.16	25.69	23.90	21.43
Canadian green sides	14.64	22.76	24.33	22.46	1/ 20.06
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Stocks -					
Liverpool -					
Hams, bacon and shoulders		7,564	7,592	6,703	5,804
Lard, refined		7,246	11,937	3,259	3,006
United States -					
Processed pork 2/		780,179	870,785	711,700	675,274
Lard in cold storage		145,332	183,490	104,905	115,327

1/ Three weeks only.

2/ Dry salt cured and in process of cure; pickled, cured, and in process of cure, and frozen.

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